

FSMIP Final Report

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Video Technology Trade Research Program

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Executive Summary

This Federal State Market Improvement Program (FSMIP) grant was requested in order to evaluate the benefits of video conferencing as an export promotion tool for small to medium size Virginia companies. The results of many of the conferences were that new buyer contacts were made and, as a result, new export sales. Several Virginia companies participated multiple times, thus indicating the benefit of this method of export promotion.

The Virginia Department of Agriculture and Consumer Services (VDACS) received \$44,000 in 2001 to conduct video conferencing. The funding was particularly timely during the aftermath of September 11, as many people, both buyers and exporters, were reluctant to travel overseas. Video conferencing was a welcomed alternative to travel for many people. This project was completed with a total of 23 conferences conducted in many regions of the world, including North America, Europe, India and throughout Asia.

Many of the conferences focused on introducing the buyer and the seller and providing the exporter with an opportunity to present their products and answer questions. This format served to quickly determine the suitability of product, the level of interest of a buyer and possible changes in the product, packaging or other issues that would need to be later addressed. In many conferences, the USDA Foreign Agricultural Service, Agricultural Trade Officer (ATO) or Attaché provided an overview of the local market. These presentations provide a good foundation from which to discuss the products being promoted. In addition, the FAS briefings provided the Virginia exporter with a much better understanding of the local market.

Several conferences had unique formats in an effort to better demonstrate the products. For example, on several occasions, a Virginia chef demonstrated how to prepare Virginia products, utilizing recipes from the targeted region of the world, thus demonstrating the versatility of the products. Another conference had audiences in

several countries that were given a presentation on livestock genetics that was followed by a video demonstrating Virginia dairy cattle genetics and related services.

Since the time this grant was awarded to VDACS, video conferencing has become more widely used by businesses and educational institutions. As a result, the increased availability of this technology is making it easier for exporters to take advantage of this method of promoting their products.

Observations

1. When planning and executing a videoconference it is essential to have a designated coordinator/host in both locations. These people are responsible for briefing the participants ahead of time about the meeting's agenda and making sure everyone has an opportunity to speak during the meeting. If needed, the host can prompt the people in their room if they feel that information is not being effectively conveyed to the other side. The main objective of the host is to bring continuity to the meeting.
2. The people attending the meeting need to be made aware of minor details, such as making eye contact with the camera so that the people on the other side feel involved in the meeting. Each individual should identify themselves when addressing the group. (Name plates have been tried with minimal success) Only one person should speak at a time, as the microphone is very sensitive causing a distraction and sometimes confusion during the meeting.
3. The importance of being on time for a videoconference meeting is exacerbated due to the fact that the videoconference facilities call in at the designated time, ready or not.
4. The more prepared the attendees are for the conference the more effective the conference will be. Some people are more comfortable communicating in this manner than others are however, because of the visual awareness as well as audio in these meetings, every flaw is magnified.

Lessons Learned

In one of the videoconferences conducted, the parties involved were trying to describe the color and size of soybeans that were presented to buyers in Europe. It was difficult for the buyers to see the true color and size of the product in the videoconference room. Afterwards it was discussed that we should try spot lighting the product in question and lay a ruler or some gauge in which to measure the size for the benefit of the people on the other side of the video-conference.

In a previous videoconference involving apple size and color, describing the product was not a problem because the industry taking part in the conference had terminology that effectively described the product by grade and size. Once again proving that each industry requires different means of communicating their products effectively and every videoconference will face different challenges regardless of how much planning goes into it.

In two videoconferences that were completed, samples were sent ahead of the conference so that the buyers could actually taste the product being discussed while the companies were able to point out the attributes of their product and packaging. This seemed to work very well.

As the buyers were able to examine the packaging and the quality of the product, questions of concern from the buyers were answered in the videoconference. The ability to get answers instantaneously allows for the selling and negotiation process to accelerate exponentially.

Some of the most common questions asked by buyers involve such things as:

- Product shelf-life
- Expirations dates on the product
- Package and label issues
- Product profile
- Storage and handling of the product
- Ingredients issues
- Permits required to import the product into the desired country
- Alternate uses of the product
- Company history

I have learned that each videoconference will be different, even when a set agenda is in place. The momentum of the people involved determined the effectiveness of the meeting.

Results

The conferences have helped introduce buyer and seller and establish rapport and an understanding of each participant's needs.

The experience of the conference enabled some of the participants to start thinking about communicating with people that they had been unable to negotiate with through other mediums. The videoconference not only enabled the parties to more quickly establish rapport and trust but it also allowed them to show off their products when sending a sample is more difficult. i.e. perishable products.

Sales were made as a direct result of the videoconferences conducted across a wide spectrum of Virginia products, including:

- Produce to Canada and the Caribbean
- Processed foods to Singapore, Malaysia and the Caribbean
- Seafood to South Africa, Canada and the Caribbean
- Soybeans to Poland

The relationships that are still being cultivated as a result of this type of forum are immeasurable.

As the economy continues to struggle to recover and companies are cutting back on travel the FSMIP grant allowed Virginia companies to continue to compete in the Export Market at a time when they otherwise would have been unable to meet overseas buyers and explore new markets.

The video-conferencing project that The Virginia Department of Agriculture has conducted has not gone unnoticed by other organizations. SUSTA (Southern U.S. Trade Association), AITC (Alabama International Trade Center) and neighboring Departments of Agriculture are aware of this project. The ATO's that were involved were appreciative of the opportunity to spotlight the attributes and buyer relationships in their region.

Video-conference technology allowed The Virginia Department of Agriculture's Office of International Marketing to obtain the objective that we wanted to achieve by expanding export opportunities for Virginia companies.